

**WEST HAYMARKET JOINT PUBLIC AGENCY (JPA)**  
**Board Meeting**  
**August 27, 2010**

Meeting Began At: 3:03 P.M.

Meeting Ended At: 3:25 P.M.

Members Present: Jayne Snyder, Chris Beutler, Tim Clare

**Item 1 - Introductions and Notice of Open Meetings Law Posted by Door**

Chair Snyder opened the meeting and introduced herself, Mayor Chris Beutler and Regent Tim Clare.

The open meetings law is in effect and is posted in the back of the room.

**Item 2 – Approval of the Minutes of the JPA Meeting August 13, 2010**

Snyder asked for any corrections or changes to the minutes from the JPA meeting on August 13, 2010. Hearing none, Clare motioned for approval of the minutes. Beutler seconded the motion. The motion passed 3-0.

**Item 3 – Public Comment and Time Limit Notification**

Snyder stated that individuals from the audience will be given a total of five minutes to speak on specific items listed on today's agenda. Those testifying should identify themselves for the official record and sign in.

Dan Marvin came forward to introduce Jim Martin and Aaron Young from Benham. Jim Martin is the Senior Program Manager for the Benham Company and has been selected as the Program Manager for this project. Aaron Young is the Deputy Program Manager for the Benham Company and will be working with Martin. The Board welcomed Martin and Young to Lincoln.

**Item 4 – Approval of Payment Registers (Herz)**

Don Herz explained that there are three items on the register during the period of August 5th to August 11th. They are origination fees for US Bank for the \$50 million line of credit and legal fees for their bond counsel. We have drawn on the line of credit for expenses that needed to be paid before we settle on the \$100 million bond issue that will close in September. The second pay register runs from August 12th to August 18<sup>th</sup>. This payment is to get space ready for the Assistant Purchasing Agent. Some other checks have been written since the 18<sup>th</sup> and they will come before the Board at the next meeting.

## **Item 5 – City Purchasing Process**

Vince Mejer, City County Purchasing Agent, came forward to describe the Request for Proposal (RFP) process. The Department involved and Mejer meet to define a scope of services for the work that is desired. Once it is tweaked, it is put out to the public generally for 30 days for professional firms to respond to. A Selection Committee and Negotiation Committee are assigned through an Executive Order. Once the proposals are received, the Selection Committee meets, discusses the proposals and narrows it down to two to four firms, depending on how many responses are received. The top two to four firms are then invited to come in and give an oral presentation. After the oral presentation, the Selection Committee meets and selects the top firm. The Negotiating Committee then starts negotiations with the top firm.

## **Item 6 – Update on the JPA Bond Sale**

Scott Keene thanked the members of the Direct Financing Team who have been working on this process for about five years: Dan Marvin, Don Herz, Rod Confer, Lauren Wismer, Lisa Debusse, Dave Lechner and Joel Pedersen. The goal in this process was to not only create a financing that was flexible for the City, University of Nebraska and JPA but also to structure a financing that would be well received in the market place. The team has been successful in doing that.

The bond sale went very well. It was held on Tuesday morning between 10:15-10:30 and there were four bidders who participated. Wells Fargo was the winning bidder with a net true interest cost of 3.20%. Settlement is set for September 8<sup>th</sup>, so they are on a fast track to deliver the proceeds to the agency. The timing was very fortunate because there has been a significant rundown in treasury interest rates in the last few months. Rates are as low as they were during the market panic in 2008. It's a very favorable time to bring a financing like this to the market. There has also been a light supply of Build America Bonds over the last two weeks which helped as well. There have been 14 issues over \$50 million in the last two weeks with seven coming this week. There were a few issues with lower interest rates than ours but most of the issues had higher rates. Keene plans to bring one more JPA financing to the Board this year.

Herz reminded the Board that when the budget was brought forward an estimate of 5% borrowing costs was used. The 3.2% represents approximately \$1.8 million per year in lower interest costs or \$50 million in savings over 35 years. If the interest rates remain favorable through the calendar year, half of the financing will be in place with good interest rates.

Snyder congratulated the team.

## **Item 7 – 2010-2011 JPA Budget and Public Hearing**

Snyder announced that the purpose of the budget hearing is to hear support, criticism, suggestions, or observations of tax payers and citizens related to the proposed West Haymarket Operating Budget for the West Haymarket Joint Public Agency for the period beginning September 1, 2010 and ending August 31, 2011. The Operating Budget was published in the Lincoln Journal Star on Friday August 20, 2010 and is available for those in attendance.

Steve Hubka reviewed the current fiscal year budget which existed from June 11, 2010 to August 31, 2010. Out of the \$151,908 approved, only \$47,505 was spent. A significant amount of appropriations for personnel costs were not utilized because the Assistant City Controller was in place for only a few weeks, the Assistant Purchasing Agent has been on board for only one pay period and the Assistant City Attorney has not been hired. There were some minor supply costs that were not budgeted. Funds in miscellaneous contractual services were used to get some space ready for the Assistant Purchasing Agent. A big item in this budget is the Public Liability Insurance that was paid just a few days ago, and it came in a little over budget. That won't have to be budgeted during the next fiscal year. The \$104,403 of remaining appropriations will be lapsed and won't be brought into the next budget.

The 2010-2011 budget was published with a total of \$519,555. Hubka mentioned at the last meeting that if there were any items that didn't need to be budgeted; he would take them out of the budget. One of those items is the Public Liability Insurance since it was paid and will cover the 2010-2011 fiscal year. He also needed to include the audit expense and it was added for \$12,000. The minimal amount is due to the audit period only running from June 11, 2010 to August 31, 2010. There were only 15-20 transactions in that time period. Hubka recommended adopting the budget of \$501,555.

Clare asked for clarification regarding the Public Liability Insurance. Hubka explained that the insurance will be in effect during the entire fiscal year and will be included in the 2011-2012 operating budget.

Snyder opened the floor for public comment. No one came forward.

Beutler moved to adopt the adjusted budget for \$501,555. Clare seconded the motion. Motion approved 3-0

**Item 8 – Set Next Meeting Date: Thursday September 9, 2010 3:00 P.M.**

The next JPA Board meeting is scheduled for September 9, 2010 at 3:00 P.M.

**Item 11 – Motion to Adjourn**

Clare motioned to adjourn. Beutler seconded the motion. Meeting adjourned at 3:25.

**Prepared by: Melissa Ramos-Lammli, Engineering Services**